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SUBJECT: PAPUA -- AMBASSADOR VISITS KEY SITES IN TURBULENT
REGION

REF: A. JAKARTA 3076
[1](#)B. JAKARTA 3015
[1](#)C. JAKARTA 2930

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[1](#)1. (U) This message is Sensitive But Unclassified--Please
handle accordingly. Not for distribution outside of USG
channels.

[1](#)2. (SBU) SUMMARY: Ambassador Hume discussed economic
development, health, human rights and other concerns with key
government and civil society interlocutors on a November 1-5
visit to Papua. He also toured BP's Tangguh liquid natural
gas (LNG) project, currently under construction on Bintuni
Bay in West Papua. Unrest in Timika in south-central Papua
restricted the Ambassador's visit to U.S. firm
Freeport-McMoRan's mining operation to observe corporate
social responsibility activities. END SUMMARY

JAYAPURA: DEVELOPMENT AGENDA

[1](#)3. (SBU) In a November 2 meeting with Vice Governor Alex
Hesegem in the provincial capital Jayapura, Ambassador noted
the USG's interest in Papua and asked about progress on
implementing the provincial government's development agenda.
(Note: Governor Barnabas Suebu was traveling in China.)
Hesegem explained that Papua remained one of Indonesia's
poorest provinces and faced myriad development challenges,
including housing, nutrition, education, infrastructure,
HIV/AIDS, and unemployment. Papua's problem was not money:
funds transferred to the provincial government under Special
Autonomy as well as money provided to local NGOs through
Freeport's One Percent Fund remained unspent. The problem,
according to Hesegem, was that the government lacked the
capacity to use the funds to implement development programs
and NGOs could not agree on how to spend Freeport's
contributions.

[1](#)4. (SBU) Examining one of Papua's most critical health
crises, the Ambassador visited a USAID-supported HIV/AIDS
clinic on November 2. The clinic serves an area of
approximately 31,000 people and sees between 2,000 and 2,500
patients per month. At 2.5 percent, the HIV/AIDS infection
rate in Papua far exceeds the Indonesian national rate of
less than 0.1 percent. The Ambassador observed that Papua

was at a critical tipping point where effective prevention could slow the infection's growth rate. Inadequate preventative measures, however, could result in an expansion of HIV/AIDS infections in the province. Clinic staff agreed that prevention was critical and outlined their campaign of testing, counseling and distribution of condoms.

MIXED VIEWS ON SPECIAL AUTONOMY

15. (SBU) Members of the Papuan People's Assembly (MRP) gave the Ambassador a mixed picture of the relationship between the province and the central government in the context of the 2001 Special Autonomy Law. MRP members viewed Special Autonomy as a "victory" for Papuans. However, they expressed frustration that the central government had yet to issue all the regulations necessary for the provincial government to take up its new responsibilities. The root of the problem, according to MRP interlocutors, was a lack of trust between Jakarta and Jayapura. They stressed that the MRP was firmly committed to making Special Autonomy work and was "not interested in the separatist route."

16. (SBU) The Ambassador suggested that the problem might be more a case of Jakarta's distraction from its Papua Special Autonomy agenda by other priorities, rather than Jakarta's opposition to it. He stressed that Papua and Jakarta must show strong leadership in order to push the implementation of Special Autonomy forward. The USG, he noted, could provide capacity-building assistance to the provincial government. It was up to Indonesians--in Papua, in Jakarta and elsewhere--to make Special Autonomy succeed.

17. (SBU) Representatives of several key civil society organizations raised a variety of concerns, including a lack of trust between Papuans and the security forces. They could not, however, point to specific instances of security force

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violence against Papuans, and vaguely invoked fears and threats. They agreed that Governor Suebu's frequent trips to villages was important because it gave Papuans direct access to their elected leaders and helped build trust between the people and the government.

TIMIKA--UNREST PERSISTS

18. (SBU) Unrest in Timika, sparked by the suspicious death of a tribal elder, who was also a retired police officer, prevented the Ambassador's planned November 3 visit to key sites around the city (Ref A). These included the Mitra Masyarakat Hospital, a 101-bed hospital that Freeport-McMoRan built to support the local community; the Nemangkawi Mining Institute, where Freeport provides training to Papuans; and Kokanau, where a Freeport-USAID partnership project assists local fishermen. Although the rioters did not target these sites or other Freeport facilities, the general lack of security throughout the town prompted the change in the Ambassador's program.

19. (SBU) The situation revealed weaknesses in Papua's security services. Lacking training and equipment to deal with a riot, the local police were unable to handle the situation. Many officers fled their posts and went into hiding once the conflagration began. Lack of efficient coordination between the police and the military (TNI), combined with the TNI's reluctance to be undertake riot control--largely because of a fear of possible allegations of human-rights violations--delayed the deployment of reinforcements. As a result, the violence continued until the police acceded to the rioters' demands.

HIGHLANDS--UNREST PERSISTS

10. (SBU) On November 4 the Ambassador proceeded to the Papuan highlands, where he got a firsthand glimpse of the ongoing tribal conflict in the village of Banti, located

approximately eight miles from Freeport's Grasberg mine (ref C). A helicopter tour of the area revealed some of the population pressures that have triggered the tensions. The town's original inhabitants are approximately 1000 members of the Amungme tribe who live in houses that Freeport constructed to compensate them for traditional lands lost as a result of the mine's establishment. Among these are several hundred makeshift dwellings constructed by members of the Dani tribe who have recently come to the area to conduct illegal gold panning operations in the mine tailings. The influx of migrants has exacerbated tensions between the two groups as they compete over the scarce resources of the rugged Papuan highlands. Later, the Ambassador toured the Freeport-run Tembagapura hospital, which treats both Freeport employees and people from nearby villages. (Note: Tembagapura is the "company town" in the highlands that supports Freeport operations and houses most of the mine employees.) Several local villagers were being treated for arrow wounds sustained in tribal violence which had already left eight people dead.

VIST TO BP PROJECT

¶11. (SBU) The Ambassador concluded his visit with a November 5 tour of BP's Tangguh LNG site and surrounding communities. BP officials told the Ambassador they expected gas to begin flowing from the 14.4 trillion cubic feet of proven reserves in late 2008, with deliveries to customers in China, South Korea, and the United States in 2009. The project, still in the construction phase, employs approximately 10,000 workers, 30 percent of whom are Papuan.

¶12. (SBU) The major social challenges continue to revolve around delivering concrete benefits to the local communities around the project without creating a culture of dependency, said BP officials. BP continues to try to restore social peace among effected communities after its ill-advised decision to relocate one village and rebuild it on a grand and comparatively lavish scale. The neighboring villagers are envious and openly resentful of the largesse bestowed upon the relocated villagers of Tanah Merah. The Ambassador toured the neighboring village of Saengga, which displayed

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few of the modern conveniences of Tanah Merah. Some villagers did have satellite television, and there were some modest, new houses with glass windows built by locals who had found construction work at the LNG site, according to BP officials. BP said its near-term social priorities were based on community feedback and would focus on clean water, health, and education projects.

HUME